

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Overview of Proposed Clean Air Act
Prevention of Significant Deterioration Permit

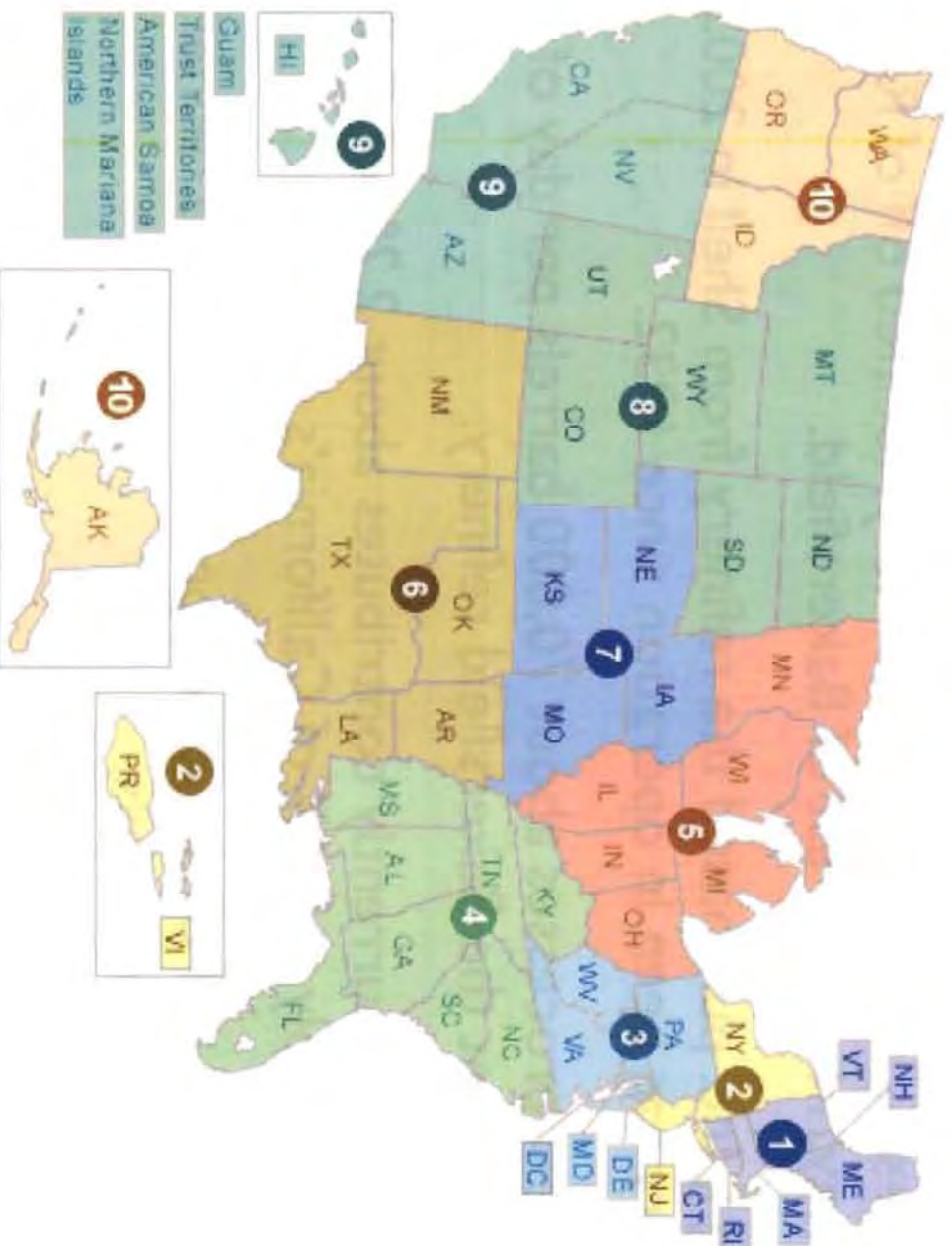
∴

For the Construction of the Clean Fuels Project at
the Big West Bakersfield Refinery

WHY ARE WE HERE TODAY?

- The main reason we are here tonight is to hear YOUR comments on our proposed air permit for the construction of new equipment at the Big West, Bakersfield Refinery
- The purpose of this presentation is to **briefly** describe :
 - The proposed project
 - EPA's process for issuing air permits
 - The proposed air permit
 - The process for commenting on the proposed permit.

WHO ARE WE?



What is Big West?

- Big West is an existing oil refinery, located off of Rosedale Highway, North-West of Bakersfield.
- Flying J, Inc. purchased the refinery from Shell in 2005. The refinery has been in operation since 1932.
- Big West processes about 70,000 barrels per day of crude petroleum at the Bakersfield refinery.
- The refinery currently contributes about 2.2% of California's gasoline supply and 6% of California's diesel.
- Currently ~ 1/3 of the crude processed at the refinery is left as intermediate gas oils.



What is the Proposed Clean Fuels Project?

- Big West is proposing to construct additional processing units at the existing refinery.
- Big West would like to construct this project in order to allow for the conversion of intermediate petroleum products into gasoline and diesel fuel that meets the California Air Resources Board (ARB) gasoline and diesel fuel specifications.
- Big West calls this project the Clean Fuels Project.
- The total amount of crude processed at the Bakersfield refinery would not change.

What are the Proposed Changes?

- Big West is requesting to add 6 new processing units to the existing refinery.
 - These units would serve the purpose of refining crude oil, and treating the products to remove contaminants, such as sulfur.
 - One of the proposed new units would convert the removed contaminants into fertilizer.
- The Clean Fuels Project would also add new supporting equipment, such as a new flare and two new cooling towers.

How Will Air Emissions Change?

Increase in Emissions of Pollutants from the Proposed Clean Fuels Project

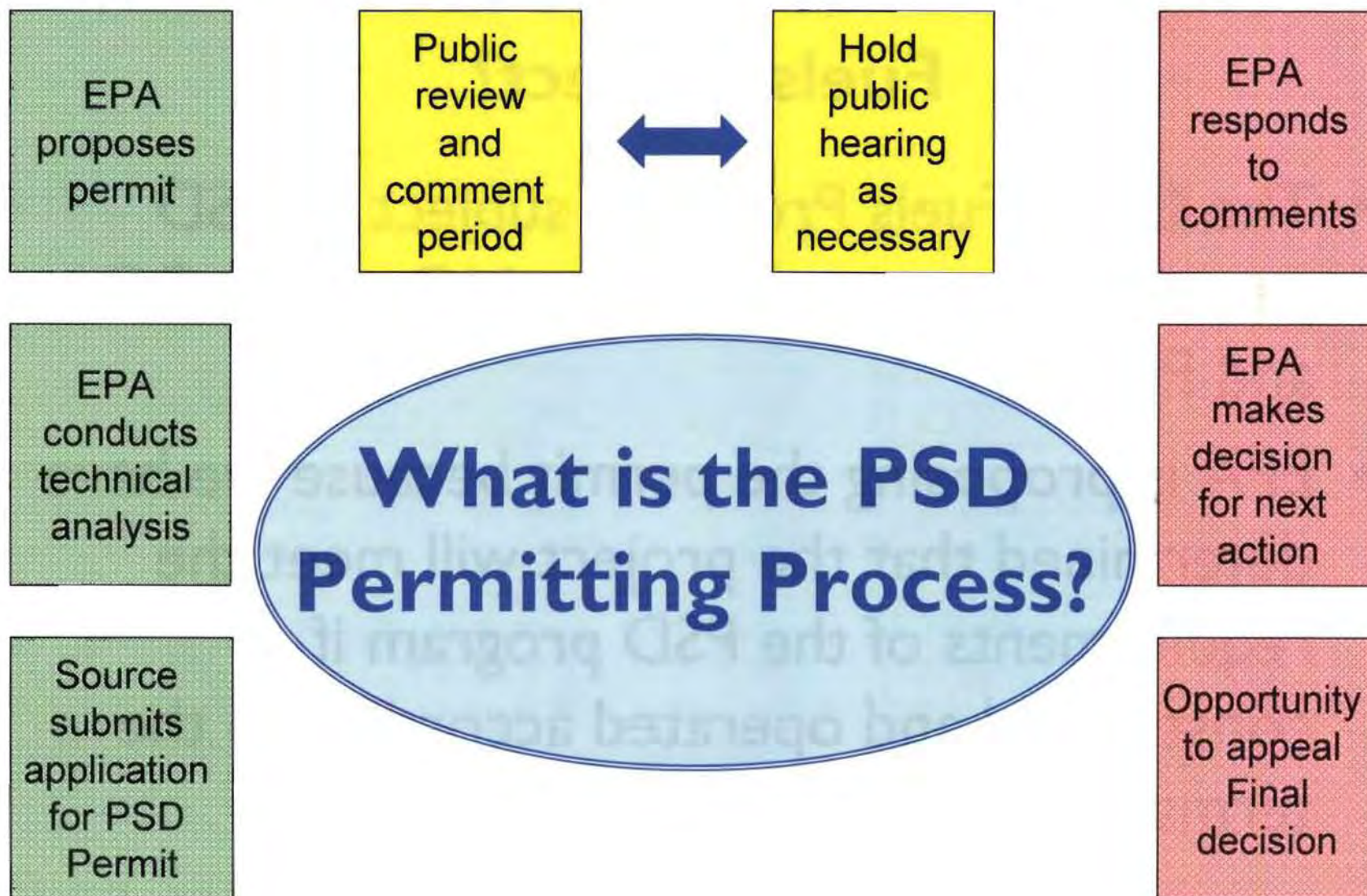
| Pollutant | Emissions (tons per year) |
|-------------------------------------|---------------------------|
| Carbon Monoxide (CO) | 166.4 |
| Volatile Organic Compounds (VOC) | 102.5 |
| Sulfur Dioxide (SO ₂) | 84.9 |
| Nitrogen Dioxide (NO ₂) | 83.2 |
| Particulate Matter (PM) | 58.9 |

What is Air Permitting?

- Air permits are legally binding documents that, among other things, sets limits on the amount of air pollution that a source is allowed to emit.
- There are three types of federal air permitting programs:
 - PSD: Preconstruction permits for sources that emit pollutants for which the local air quality meets federal standards, known as Prevention of Significant Deterioration, or PSD, permitting.
 - NSR: Preconstruction permits for sources that emit pollutants for which the local air quality exceeds federal standards, known as non-attainment New Source Review permitting.
 - Title V: Operating permits for all major sources, also known as Title V permitting.

What is PSD?

- Permit required prior to construction
- Requires source to install Best Available Control Technology (BACT)
- Requires an analysis of impacts on air quality, visibility, growth, soils and vegetation, and National Parks and Forests
- Prohibits the construction of sources that would cause a violation of any National Ambient Air Quality Standard (NAAQS)
- EPA must also ensure that a project does not adversely impact endangered species or their critical habitat



What is EPA's Analysis of the Clean Fuels Project?

- The Clean Fuels Project is subject to PSD permitting requirements for NO₂, SO₂, CO, and PM.
- EPA is proposing the permit because we have determined that the project will meet the requirements of the PSD program if constructed and operated according to the terms of the proposed PSD permit.

What Requirements are in the Proposed Permit?

- Stringent emission limitations for all equipment that may emit pollutants regulated by PSD.
- Requirements to install the best available control technologies available prior to starting operations.
- Requirements to install instrumental monitoring systems and to conduct periodic monitoring.
- Requirements for best operational practices.
- Requirements for initial performance and annual source tests.

What Are the Next Steps After This Hearing?

- Review and respond to public comments
- Make a final decision on permit
- Complete Endangered Species Act Consultation with USFWS.

How Can I Comment?

- Fill out a **GREEN** speaker request form, available at the sign-in table, to comment at tonight's Public Hearing.
- Fill out a written comment form, also available at the sign-in table.
- Mail or hand-deliver written comments to:
Kathleen Stewart
Air Division (AIR-3)
EPA, Region 9
75 Hawthorne Street
San Francisco, CA 94105-3901
- Fax comments to (415) 947-3579 (attn: Kathleen Stewart); or
- E-mail comments to: R9airpermits_bigwest@epa.gov;
- Comment via the web at <http://www.regulations.gov>

**** The public comment period ends January 7, 2008. ****

Any written comments must be received (if sent by e-mail or fax)
or postmarked (if sent by U.S. mail) on or before January 7, 2008.

Where Can I Get More Information?

- Informational sheets located at the sign in table
- Informational Posters located throughout the room
- Visit us on the web at:
<http://www.epa.gov/region09/air/permit/r9-permits-issued.html>
- Send an email to: R9airpermits_bigwest@epa.gov
- Permit and supporting documents are available at the following locations:
 - San Joaquin Valley Air Pollution Control District
2700 M. St., Suite 275, Bakersfield, CA
 - US EPA, Region 9, Air Permits Office
75 Hawthorne St, San Francisco, CA 94501
- Call any one of the following people:

| CONTACT | PHONE NUMBER | TOPIC |
|-------------------|----------------|----------------------------------|
| Kathleen Stewart | (415) 947-4119 | PSD Permit and General Questions |
| Carol Bohnenkamp | (415) 947-4130 | Air Quality |
| Trina Martynowicz | (415) 972-3474 | Community Involvement |
| Irma Miranda | (415) 972-3968 | Información en Español |
| Gerardo Rios | (415) 972-3974 | Información en Español |